

## Message Text

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ACTION EB-07

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-07 NEA-10 ISO-00  
SSO-00 NSCE-00 INRE-00 USIE-00 PA-01 PRS-01  
ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02  
DODE-00 FEAE-00 FPC-01 H-01 INR-07 INT-05 L-03  
NSAE-00 NSC-05 OMB-01 PM-04 OES-07 SP-02 SS-15  
STR-04 TRSE-00 ACDA-07 IO-13 OIC-02 ERDE-00 /149 W  
-----038097 131654Z /41

O R 131512Z JUL 77

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC IMMEDIATE 1063

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY ATHENS

USINT BAGHDAD

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

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AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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USEEC  
USOEC

E.O. 11652: N/A

TAGS: ENRG, OPEC, SW

SUBJ: OPEC MEETING CONCLUDED WITHOUT DECISIONS OF IMPORTANCE

REF: STOCKHOLM 2922

1. 49TH OPEC CONFERENCE IN STOCKHOLM WAS CONCLUDED AFTER MORNING SESSION ON WEDNESDAY, JULY 13, A DAY OR SO AHEAD OF SCHEDULE. THE CONFERENCE (FIRST SUCH TO BE HELD OUTSIDE OPEC CAPITALS AND THE VIENNA HEADQUARTERS) WAS BRIEF AND UNEVENTFUL, WITH A SHOW OF NATAL FRIENDSHIP AND HARMONY. THIS, PERHAPS, WAS ITS OUTWARD OBJECTIVE.

2. ACCORDING TO PRESS CONTACT WHO WAS ABLE TO HAVE A FEW MINUTES WITH SAUDI OIL MINISTER YAMANI, PRICE DIFFERENTIALS WERE THE ONLY REAL ISSUE DISCUSSED. YAMANI REPORTEDLY WAS INSISTING ON A KUWAITI CUT IN PRICE OF HEAVY GULF CRUDES, AND OTHERS HAS THEIR OWN VERSIONS OF ADJUSTMENT IN EXISTING DIFFERENTIALS. DECISION POSTPONED, AS WAS QUESTION OF SYRIAN, LIMITED OFFICIAL USE

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ANGOLAN AND CONGO-BRAZZAVILLE MEMBERSHIP. YAMANI ALSO REPORTEDLY CONFIRMED EARLIER REPORTS WE HAVE SEEN TO EFFECT THAT SAUDIS HAVE AGREED TO RETURN TO OLD PRODUCTION CEILING OF 8.5 MILLION BARRELS PER DAY (WITH SPECIFIC DEALS, SUCH AS A 200,000 BARREL PER DAY AGREEMENT WITH ROYAL DUTCH SHELL, EXEMPTED FROM THE CEILING).

3. SAME CONTACT WAS MOST IMPRESSED AT EVIDENCE OF MODERATION ON PART OF FORMER OPEC HAWKS: IRAN, IRAQ AND LIBYA. AMOUZEGAR SEEMED TO BE AGREEING WITH YAMANI THAT NO PRICE INCREASE COULD BE EXPECTED IN 1978. SAME SOURCE HAD RECENTLY DISCUSSED OIL DEMAND WITH AMOUZEGAR AND STAFF IN TEHRAN AND LATTER WERE CONVINCED THAT OIL DEMAND WOULD REMAIN TOO SOFT WITHIN 18 TO 24 MONTH PERIOD TO JUSTIFY PRICE INCREASES. AMOUZEGAR THINKS DEMAND IS NOT THAT SOFT, AND WILL RECOVER FASTER, BUT HAS CLEARLY MODIFIED HIS AIMS, ACCORDING TO SOURCE. SAME REPORTER SAID THAT LIBYANS AND IRAQIS HAVE BEEN TALKING ABOUT TEN PERCENT INCREASE FOR 1978. AS A POINT OF DEPARTURE FOR BARGINING, THIS WOULD APPEAR TO BE MUCH LESS DEMANDING THAN WE MIGHT HAVE EXPECTED.

4. CONTACT WAS ALSO IMPRESSED BY EVIDENCE THAT SAUDIS HAVE NOT

LOST, AND MAY EVEN HAVE GAINED, IN STATURE AS A RESULT OF EFFORTS TO HOLD DOWN PRICE. HE HAD EXPECTED IN ASSESSING LAST SIX MONTHS THAT EVIDENT FAILURES TO EXPAND PRODUCTION SIGNIFICANTLY AND THUS CONTROL PRICES WAS SIGN SAUDIS HAD OVERREACHED THEMSELVES. IRANIAN DELEGATE TOLD HIM SENSE OF CONFERENCE WAS THAT SAUDI INFLUENCE MAY HAVE INCREASED. IRANIANS HAVE, FOR EXAMPLE, ABANDONED SOME EARLIER THOUGHTS THAT BY CUTTING PRODUCTION BY ONE TO 1.5 MILLION BARRELS PER DAY THEY THEMSELVES COULD DICTATE PRICE. HERNANDEZ, OF VENEZUELA, REPORTEDLY SAID SAUDIS AND IRANIANS ARE NOW CLEARLY MOST INFLUENTIAL OPEC MEMBERS IN TERMS OF POLICY MAKING.

5. ANOTHER SOURCE TOLD US IT WAS CLEAR AT CONFERENCE THAT ALL SIDES WERE FEELING QUITE BRUISED AFTER SIX MONTHS OF TWO-TIER LIMITED OFFICIAL USE

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SYSTEM AND WERE MAINLY INTERESTED IN POURING BALM.

6. NEXT MEETING (DECEMBER) WILL TAKE PLACE IN CARACAS, ACCORDING TO OPEC PRESS RELEASE.  
PERRY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 STOCKHOLM 2922  
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**Status:** NATIVE  
**Subject:** OPEC MEETING CONCLUDED WITHOUT DECISIONS OF IMPORTANCE  
**TAGS:** ENRG, SW, OPEC  
**To:** STATE USEEC MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009